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Email: hwalker@boultcummings.com

Henry Walker
(615) 252-2363
Fax (615) 252-6363

T.R.A. DOCKET ROOM

January 18, 2005

Pat Miller, Chairman
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37238

Re: *Complaint of XO Tennessee, Inc. Against BellSouth and Request for Expedited Ruling and for Interim Relief*
Docket number: 04-00306

Dear Chairman Miller:

At the last TRA agenda conference, XO and BellSouth jointly asked that the Authority postpone acting on XO's complaint and request for interim relief. At the time, the parties believed that they might be able to settle at least the issue of interim relief. Unfortunately, the negotiations fell apart soon afterwards, and the parties were not even able to agree on the tentative understanding which was the basis for the agreement to defer the matter. Therefore, XO asks that this matter, especially the request for interim relief, be placed on the Authority's agenda for January 31, 2005.

As XO has previously noted, the carrier has asked BellSouth to convert XO's special access circuits to unbundled loops. This conversion process involves nothing more than a change in the billing rate. BellSouth, however, has refused to make the conversions under reasonable terms and conditions and stubbornly opposes XO's request for limited, interim relief, even though such relief would be subject to a retroactive true-up of the conversion rate and BellSouth would be fully protected from any financial harm.

This matter was originally set on December 10, 2004, and delayed to await the release of the FCC's new unbundling rules. Based on the FCC's December 15, 2004, press release, it is now clear that the new rules will have no impact on BellSouth's obligation to perform these conversions or the pending conversion requests. BellSouth itself has admitted that the new rules will have no impact on DS-1 circuits in Tennessee, and BellSouth has produced no evidence that any DS-3 circuits for which conversion is requested by XO will be affected. Therefore, there is no reason the Authority should delay any longer granting XO's request for interim relief. Circuits involving DS-1 loops should be converted immediately. Circuits including DS-3 loops should be converted subject to allowing BellSouth two weeks to come forward with any evidence that any circuit on XO's list is affected by the new rules.

There is no reason to await the issuance of the FCC's written order. We know today that the written order will not affect XO's DS-1 loops in Tennessee. We also know that, with every

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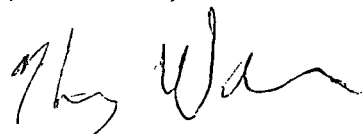
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passing day, XO falls deeper into a financial hole by being forced to pay special access prices instead of UNE loop rates. Unless the TRA steps in and establishes an interim rate, subject to a true-up, for these converted lines, XO may never be able to recover those excessive charges.

For these reasons, XO asks that the TRA place this matter on its agenda conference for January 31, 2005, and grant XO's request for interim relief.

Very truly yours,

BOULT, CUMMINGS, CONNERS & BERRY, PLC

By: 
Henry Walker

HW/djc

cc: Guy Hicks